

Form 1-ES
Massachusetts Estimated Income Tax**General Instructions****What is the purpose of estimated tax payment vouchers?**

The purpose of the payment vouchers is to provide a means for paying any taxes due on income which is not subject to withholding. This is to ensure that taxpayers are able to meet the statutory requirement that taxes due are paid periodically as income is received during the year.

Who must make estimated tax payments? Generally, you must make estimated tax payments if you expect to owe more than \$200 in taxes on income not subject to withholding. Every individual resident or nonresident is subject to these requirements. A recipient of unemployment compensation who does not choose voluntary state withholding on those payments is also subject to these requirements. A partner must make estimated payments on his/her distributive share of the partnership income. A beneficiary of a grantor-type trust and a shareholder of a Massachusetts S corporation must also make estimated payments on his/her distributive share of trust income and S corporation income. Nonresident partners in a partnership or nonresident S corporation shareholders who elect to file on a composite basis make estimated tax payments under the identification number of the partnership or S corporation. For more information, see Nonresident Income Tax Regulation 830 CMR 62.5A.1.

Are there penalties for failing to pay estimated taxes? Yes. An additional charge is imposed on the underpayment of any installment of estimated tax for the period of that underpayment. Use Form M-2210 when filing your annual return to determine the amount of any penalty due or if you qualify for the exceptions that avoid the penalty.

When and where do I file estimated tax payments? Generally, your estimated tax may be paid in full on or before April 15, or in equal installments on or before April 15, June 15, September 15 and January 15 of the following year. Make your check or money order payable to the **Commonwealth of Massachusetts**. Please write your Social Security number in the left hand corner on your check or money order. Send a completed voucher with each payment to ensure accurate crediting to your account. Vouchers should be filed with Massachusetts Department of Revenue, PO Box 7007, Boston, MA 02204. **Do not mail your payment with your prior year's annual return.**

If you pay your full estimated tax with your first payment voucher, you need not file the remaining payment vouchers unless your income increases during the year and you need to increase your estimated payment amount.

Are there exceptions to the due date? Whenever a due date falls on a Saturday, Sunday or legal holiday, the filing and payment may be made on the next succeeding business day. If your return is not on a calendar year basis, enter due dates on each voucher to correspond with your fiscal year. Your due dates will be the 15th day of the fourth, sixth, and ninth months of your fiscal year and the 15th day of your next fiscal year.

What if my tax liability changes during the year? Even though you may not expect to owe estimated tax payments, your income or exemption(s) may change during the year so that you will be required to make estimated tax payments. In such case, the payment dates are as follows: June 15, if the change occurs between April 1 and May 31; September 15, if the change oc-

curs between June 1 and August 31; next January 15, if the change occurs after August 31. Use the Amended Computation Worksheet if, during the year, you find that your estimated tax is substantially increased or decreased. The estimated tax may be paid in full at the time of filing your first payment voucher or in equal installments on the remaining payment dates. Be sure to use the appropriate voucher for each date.

What if we want to make joint payments? A husband and wife may make joint payments of estimated tax as long as they are married at the time when the payments are due and not separated by a decree of divorce or separate maintenance. If a joint payment is made but a joint return is not filed for the taxable year, they may treat the payment for such year as the estimated tax payment of either spouse, or it may be divided between them in such a manner as they may agree. The combined total cannot exceed 100% of the estimated tax payments.

What if I credited my 2000 refund to 2001 estimated taxes? If you overpaid your 2000 income tax and elected to apply it as a credit to your 2001 estimated income tax, the amount of overpayment may be applied in whole or in part to any installment period. If any overpayment credit remains, apply it to the next installment.

Be sure to enter the overpayment credit in line 1 of your original voucher and (if necessary) on your other payment vouchers and in column (c) of the Record of Estimated Tax Payments. If the credit equals or exceeds your full estimated tax liability for 2001, you need not file the payment vouchers. Send a payment voucher to DOR only when you are making a payment.

Specific Instructions

1. Fill out the Estimated Tax Worksheet to determine your estimated tax.
2. Enter your name, address, Zip code and Social Security number on the payment voucher. If making joint payments, also enter your spouse's name and Social Security number on the payment voucher.
3. Enter the correct due dates.
4. Enter the amount of the overpayment from your 2000 return credited to your estimated tax for this year in line 1.
5. Enter the amount due from line 15 of the worksheet in line 2.
6. Fill in the Record of Estimated Tax Payments. Detach voucher at perforations.
7. Mail the voucher with check or money order payable to the **Commonwealth of Massachusetts**. Please write your Social Security number in the lower left corner of your payment check.

If you must amend your estimated tax:

1. Fill out the Amended Computation Worksheet;
2. Complete lines 1 and 2 of the appropriate voucher; and
3. Detach the voucher at perforations and mail with required payment.

Note: You do not have to report that you are amending your estimate.

Estimated Tax Worksheet

Detailed explanations of your deductions, exemptions and credits appear in the instructions for the income tax form you file.

	Taxable income	Tax rate	Amount
1. Taxable 5.6% income* (after deductions and exemptions) 1		x .056	
2. Taxable 12% income** (after exemptions, if any) 2		x .12	
3. Taxable 5% income** (after exemptions, if any) 3		x .05	
4. Taxable 4% income** (after exemptions, if any) 4		x .04	
5. Taxable 3% income** (after exemptions, if any) 5		x .03	
6. Taxable 2% income** (after exemptions, if any) 6		x .02	
7. Taxable 1% income** (after exemptions, if any) 7		x .01	
8. Total tax. Add lines 1 through 7 8			
9. Limited Income Credit (if any) 9			
10. Other credits 10			
11. Total credits. Add lines 9 and 10 11			
12. Your estimate of 2001 income tax. Subtract line 11 from line 8 12			
13. Amount of this tax expected to be withheld during 2001 13			
14. Estimated tax for 2001. Subtract line 13 from line 12 14			

(Note: If less than \$200 you are not required to make estimated tax payments)

15. Computation of installments.

If first voucher is due to be filed on:

April 15, 2001 enter $\frac{1}{4}$
 June 15, 2001 enter $\frac{1}{3}$
 September 15, 2001 enter $\frac{1}{2}$
 January 15, 2002 enter full amount of line 14 (less any overpayment that you are applying to this installment) here and on line 2 of your payment vouchers ► 15

*5.6% income includes: wages, salaries, tips, business income, partnership and S corporation income, trust income, rental income, unemployment compensation, alimony, pensions and annuity income, IRA/Keogh distributions, winnings, fees, interest and dividend income and other taxable income not taxed at the 12%, 5%, 4%, 3%, 2% and/or 1% rate(s).

**12%, 5%, 4%, 3%, 2% and 1% income includes any income associated with capital gains.

Note: If your estimated tax should change during the year, use the Amended Computation Worksheet.

Amended Computation Worksheet. Use if your estimated tax changes substantially after you file your first payment voucher.

1. Amended estimated tax 1	
2. Less:	
a. Amount of last year's overpayment elected for credit to 2000 estimated tax and applied to date 2a	
b. Payments made on 2001 vouchers 2b	
c. Add lines 2a and 2b 2c	
3. Unpaid balance. Subtract line 2c from line 1 3	
4. Amount to be paid. Divide line 3 by number of remaining installments. Enter here and on line 2 of payment voucher 4	

Please submit the enclosed vouchers, with your payments, when due. Make all checks payable to **Commonwealth of Massachusetts** and write your Social Security number in the lower left corner on each check.

An additional charge is imposed on the underpayment of estimated taxes. Willful evasion of taxes is a felony punishable by a fine of up to \$100,000 or imprisonment up to five years, or both.

Record of Estimated Tax Payments. Please mark your calendar as a reminder to mail each payment voucher.

Voucher number	Date (a)	Amount (b)	2000 overpayment credit applied to installment (c)	Total amount paid and credited from Jan. 1 through the installment date shown. Add (b) and (c) (d)
1				
2				
3				
4				
Total ►				

If you have any questions, contact the Massachusetts Department of Revenue, Customer Service Bureau, PO Box 7010, Boston, MA 02204. Telephone: (617) 887-MDOR or toll-free in-state at 1-800-392-6089. **Practitioners:** You must obtain prior approval if you plan to use substitute vouchers.